margin for error. It would be my hope that my colleagues will not draw any lines in the sand, realizing that no legislative proposal is going to meet the expectations and the desires of every individual Senator. There are 100 of us. There are 435 Members of the House of Representatives. If there is an art to politics, it is an art of listening, of being flexible, and accommodation or compromise.

So we are undertaking a major historic event. Efforts have been made since the days of Theodore Roosevelt to have this kind of health coverage legislation. It is too important for us to fail.

(The remarks of Senator SPECTER pertaining to the introduction of S. 2805 are printed in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

FORECLOSURES

Mr. SPECTER. Mr. President, while I have the floor, I wish to briefly address one other subject. I know my colleague is on the floor waiting for an opportunity to speak. This relates to a plan which is being carried on in the city of Philadelphia to stop foreclosures. We have seen a tremendous problem across America with the housing bubble, with so many people being in houses they could not afford and so many foreclosures. The Philadelphia program received front-page attention in the New York Times just yesterday as a model program. I call the Philadelphia program to the attention of my colleagues and to anyone who may be watching C–SPAN2, a program which is a model and which ought to be followed in other jurisdictions.

In March of 2008, the Philadelphia City Council passed a resolution called the Residential Mortgage Foreclosure Diversion Pilot Program. Following the council resolution, Philadelphia's civil court adopted rules that no owner-occupied house could be foreclosed on or sold at sheriff's sale before a mandatory conciliation conference between the borrower and lender aimed at finding a workable compromise. This Philadelphia program has emerged as a model, enabling hundreds of troubled home buyers to retain their homes.

In October of last year, a little more than a year ago, Senator CASEY and I held field hearings in Philadelphia and Pittsburgh to explore ways to keep borrowers in their homes using the successful Philadelphia program model.

I ask unanimous consent that at the conclusion of these remarks, a copy of the New York Times article be printed in full in the RECORD which details the Philadelphia program and is a suggestion for other cities as to how to follow that.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times, Nov. 18, 2009]

PHILADELPHIA GIVES HOMEOWNERS A WAY TO STAY PUT

(By Peter S. Goodman)

PHILADELPHIA.—Christopher Hall stepped tentatively through the entranceway of City Hall Courtroom 676 and took his place among dozens of others confronting foreclosure purgatory. His hopes all but extinguished, he fully expected the morning to end with a final indignity: He would sign over the deed to his house—his grandfather's two-story row house; the only house in which he had ever lived; the house where he had raised three children.

''This is devastating,'' he said last month as he sat in the gallery awaiting his hearing. ''This is my childhood home. I grew up there. My mother passed away there. My grandfather passed away there. All of my memories are there.''

A union roofer, Mr. Hall, 42, had not worked since August 2008, when the contractor that employed him as a foreman went broke and laid off more than 40 people. He had not made a mortgage payment in more than a year, and his lender, Bank of America, was threatening to auction off his house through the sheriffs office.

In most American cities, that probably would have been the end of the story: another home turned into distressed bank inventory by the national foreclosure crisis. But in Philadelphia, under a program begun last year to try to keep people in their homes, Mr. Hall entered the courtroom with a reasonable chance of hanging on.

Under the rules adopted by Philadelphia's primary civil court, no owner-occupied house may be foreclosed on and sold by the sheriffs office before a ''conciliation conference,'' a face-to-face meeting between the homeowner and the lender aimed at striking a workable compromise. Every homeowner facing a default filing is furnished with counseling, and sometimes legal representation.

So, as Mr. Hall stepped into the ornate courtroom just after 9 o'clock, he was swiftly provided with a volunteer lawyer, Kristine A. Phillips. She huddled briefly with a lawyer for Bank of America and returned with a useful promise. The bank would leave him alone for six more weeks while his housing counselor pursued further negotiations in an attempt to lower his payments permanently.

''You've got more time,'' Ms. Phillips told him. ''We'll get this all worked out,'' she said.

''Thank you so much,'' Mr. Hall said softly, his body shaking with pent-up anxiety now tinged with relief. ''It's a lot of weight off of my shoulders.''

In a nation confronting a still-gathering crisis of foreclosure, Philadelphia's program has emerged as a model that has enabled hundreds of troubled borrowers to retain their homes. Other cities, from Pittsburgh to Chicago to Louisville, have examined the program and adopted similar efforts.

''It brings the mortgage holder and the lender to the table,'' said City Councilor John M. Tobin Jr. of Boston, who is planning to introduce legislation to enact a program in his city modeled on Philadelphia's. ''When people are face to face, it can be pretty disarming.''

When homeowners in Philadelphia receive legal default notices from their mortgage companies, the court system schedules a conciliation hearing. Canvassers working for local nonprofit agencies visit foreclosed homeowners, distributing fliers that inform them of their rights to a conference, and urging them to call a hot line that can direct them to free housing counselors.

''You can feel a certain sense of relief from their just being able to speak to someone about the program,'' said Anna Hargrove, who works as a canvasser in West Philadelphia.

Every Thursday morning, the courtroom on the sixth floor of the regal City Hall here is given over to the conciliation conferences. It fills up with volunteer lawyers in jogging shoes, who are representing homeowners; gray-suited corporate lawyers working for mortgage companies; and all variety of delinquent borrowers—elderly citizens leaning on canes, construction workers in coveralls, parents with bored children in tow. The lawyers exchange preliminary settlement terms, while the homeowners fill out papers and wait.

In some cases, deals are struck that lower monthly payments for borrowers and allow them to retain their homes. When a homeowner cannot afford the home even at modified terms, the program helps to create a graceful exit, in which the borrower accepts cash for vacating the property or signs over the deed in lieu of further payment.

Those outcomes are similar to the ones produced by the Obama administration's $75 billion program aimed at stemming foreclosures, which gives cash subsidies to mortgage companies as an inducement to accept lower payments. But in Philadelphia there is one crucial difference: the mortgage companies have no choice but to participate. They have to attend the conferences and negotiate in good faith or they cannot proceed with a sheriffs sale.

Since the administration's program was begun in March, it has been plagued by complaints of bureaucratic confusion and the indifference of mortgage companies. Many homeowners who have applied for loan modifications complain that their documents have been lost repeatedly or that they have been rejected without explanation.

RIGHT TO MEDIATION

The Philadelphia program forces an outcome by bringing together all the principals in one room. If the mortgage company proves intractable, the homeowner has the right to request mediation in front of a volunteer lawyer serving as a provisional judge, who relays recommendations to the program's supervising judge. If the judge finds that the mortgage company is not acting in good faith, she can hold the house in limbo by denying permission for a sheriffs sale.

While data is scant, a legal aid group, Philadelphia Volunteers for the Indigent Program, has complete information on 61 of the 309 cases it has resolved since October 2008 through the anti-foreclosure program.

Only five resulted in sheriff's sales, while 35 ended with loan modifications that lowered payments, the group says. The remaining 21 cases were divided among bankruptcies, loan forbearance and repayment arrangements, graceful exits and straightforward sales.

Some suggest the city's program is plagued by the same basic defect as the Obama rescue plan: Nearly all the loans that have been modified have been altered on a trial basis, requiring homeowners to reapply for an extension of the terms after only a few months—a process that appears rife with obstacles, according to participants.

''There's no teeth to the conciliation program,'' said Matthew B. Weisberg, a Philadelphia lawyer who represents homeowners in cases involving alleged mortgage fraud. ''It's a largely ineffective stopgap prolonging what appears to be the inevitable, which is the loss of homes.''

Still, Mr. Weisberg grudgingly praised the plan.

''It's arbitrary and unpredictable,'' he said, ''but it's better than what anybody else is doing.''

SHERIFF DELAYS AUCTION

Philadelphia's Residential Mortgage Foreclosure Diversion Pilot Program began with a resolution passed by the City Council in March 2008, calling on Sheriff John D. Green to scrap the sheriff's sale scheduled for April. Low-income neighborhoods were already experiencing a surge of foreclosures involving subprime loans given to people with tainted credit. With unemployment growing, lost paychecks were now pushing people into delinquency, reaching into middle-class and even wealthy neighborhoods. In early 2008, nearly 200 homes a month were being auctioned by the sheriff's office, about one-third more than in 2006.

In West Philadelphia, Councilman Curtis Jones Jr., one of the sponsors of the resolution, watched his childhood neighborhood consumed by foreclosure, as the homes of working families—their porches once lined with flower pots—were boarded up with plywood.

''It becomes a blight on your entire community,'' Mr. Jones said. ''It creates an environment that fosters everything bad, from prostitution to drug dealing to wildlife, like raccoons taking over whole houses. One house becomes 10, and 10 becomes the whole block.''

In response to the resolution, Sheriff Green canceled the April sale. Meanwhile, Judge Annette M. Rizzo, who oversaw a local task force on stemming foreclosures, joined with the president judge of Philadelphia's Court of Common Pleas to develop the program.

For Judge Rizzo, a high-energy woman who has long taken an interest in housing policy, the moratorium presented both a crisis and an opportunity. The sheriff was effectively refusing to fulfill his mandated responsibilities, leaving his office vulnerable to legal challenge. But if the mortgage companies could be persuaded to participate in an alternative way of addressing foreclosures, more people could stay in their homes.

''I realized we're either going to go down in flames or we're going to be a national model,'' Judge Rizzo said. ''We're going to look at these cases and see what we can work out.''

Mr. Hall knew none of this. What he knew was that his life seemed to be unraveling.

HOME TO FOUR GENERATIONS

Ever since he was a teenager, he had earned a middle-class living with his hands. He had been raised by his grandfather in his three-bedroom house on Akron Street, in a predominantly Irish Catholic working-class neighborhood in Northeast Philadelphia.

He had attended St. Martin's, the Catholic school around the corner, married his childhood sweetheart and still remained in his grandfather's house, sending his own children—two boys (now in their 20s) and a 12-year-old girl—to the same school.

Mr. Hall, a soft-spoken yet intense man with a silver-tinged goatee, had worked seven days a week for much of this decade, bringing home weekly pay of about $1,000—enough to build a deck in his backyard; enough to obtain a fixed-rate mortgage and buy the house for $44,000 when his grandfather succumbed to Alzheimer's disease in the mid–1990s; enough for a motorcycle and a boat.

But three years ago, Mr. Hall committed the sort of mistake that has upended millions of households. At the recommendation of a for-profit credit counselor, he took out a new mortgage—a variable-rate loan from Countrywide Financial, which is now owned by Bank of America. He paid off some credit card debt, and he borrowed an extra $15,000 to renovate his home, expanding his mortgage balance to $63,000.

The loan began with manageable payments of about $500 a month. But Mr. Hall's interest rate soon soared—something he says was never explained to him—lifting his payments to $950 a month.

''When I got the mortgage, I didn't really understand it,'' he said. ''They told me this would improve my credit and that was it. It was just, 'sign here,' and 'initial here.' ''

NO MORE CONSTRUCTION WORK

He might still have managed had construction not come to a halt. By 2007, Mr. Hall's employer was cutting work hours. In August 2008, it shut down, turning his $1,000 weekly paycheck into an $800 monthly unemployment check.

Every day, he set the alarm clock and headed to the union hall at 5 a.m., waiting and hoping for work. Every day, he went home, still jobless and discouraged, now confronting the displeasure of his wife, who worked as a nurse, and who he said never came to terms with their diminished spending power. After months of bickering, she left him last December, taking their daughter.

''She was saying, 'How are we going to have Christmas? How are we going to go on vacation?' '' he recalled. ''She just seen it getting worse instead of better, and she got depressed.''

In January, his truck was repossessed, leaving him to walk through the winter dawn to the union hall for his daily ritual of defeat.

He watched the For Sale signs proliferating on his block, as mostly elderly neighbors found themselves unable to make their mortgage payments. He saw their belongings piled up on their front lawns as they abandoned their homes to foreclosure.

In September, the envelope finally landed with his default notice. A canvasser knocked on his door, proffering a flier urging him to call the city hot line. When he called, a housing counselor helped him assemble the paperwork for a loan modification and prepare for his conciliation conference.

When he arrived inside courtroom 676 in October, Mr. Hall carried a sheaf of wrinkled papers in a white plastic grocery bag. He occupied a solid wooden chair as an announcer called off cases for hearing. ''Number 27, Wachovia Mortgage versus . . ..'' A girl no older than 6, with flower-shaped plastic barrettes in her hair, fidgeted as her mother applied for legal representation.

Mr. Hall was struggling to come to terms with what he assumed was the end.

''I put my whole life into this house,'' he said. ''After I do all this work, they want to take it from me. You've got to regroup and move, but where? If I can't pay my mortgage, how am I going to pay rent? And I have a whole house full of furniture.''

When he got the news that he had a few weeks' reprieve, relief quickly gave way to the worry that had dominated his thoughts for months.

''It's postponing the inevitable,'' he said.

''I'm a man,'' he kept saying, trying to make sense of how a lifetime of working on other people's homes had put him here, staring at the potential loss of his own home; still hoping for relief.

''I don't want no handouts,'' he said. ''I just want a reasonable loan that I can afford to pay so I can get on with my life.''

Mr. SPECTER. I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator from South Dakota is recognized.

Mr. THUNE. Mr. President, I ask unanimous consent that at the conclusion of my remarks, the Senator from Michigan, Senator STABENOW, be recognized.

The PRESIDING OFFICER. Without objection, it is so ordered.

HEALTH CARE REFORM

Mr. THUNE. Mr. President, we now have a draft of the Senate majority's health care reform bill, after spending several weeks behind closed doors producing that bill. Some of the details are starting to emerge.

I think it is critical that all Members in the Senate have an opportunity to look very closely at what is in the bill. It should come as no surprise that it is a 2,000-plus page bill. Much was made of the bill in the House of Representatives being a 2,200-page bill when it was all said and done. This one is 2,074 pages. It hasn't been amended yet, so that will probably expand it as this bill comes to the floor.

I think we at least now have something we can look at and review. There was a lot made last night by the majority when they rolled this bill out—how fiscally responsible this bill is and how much of an improvement it is over recent drafts of this legislation. I wish to point out a couple things that I think, perhaps, put into perspective what this bill would do, what it entails, and how, with all the rhetoric about how it differs and improves upon previous drafts of the bill, it comes down to basically the same elements that have been in all the bills we have seen.

First is with respect to the costs. It is very clear the cost of this bill—which was stated last night as $849 billion—is dramatically understated relative to its true cost when fully implemented. There are several reasons. One, they push back the effective implementation date to 2014 for many of the provisions to take effect. So you will not see the actual spending in the bill start to kick in until January 1 of 2014.

However, many of the revenue components in the bill begin to kick in next year, on January 1, 2010. So the tax increases, which are multiple and hundreds of billions of dollars, would begin to take effect immediately, starting January 1, 2010, while much of the spending in the bill would be deferred until much later in the budget window—not taking effect until January 1, 2014.

That distorts the true picture of what this legislation would cost and distorts it substantially.

The other point I will make is that there are a couple other provisions in the bill that, by its absence in one case and its inclusion in the other, understate the cost of the bill. One is the absence of the sustainable growth rate formula, or the so-called physician fee fix, the reimbursement form, that is a $247 billion hole—$247 billion in additional spending that is not included in the bill. That, obviously, understates the overall cost.

There is also a $72 billion assumption in there for a program called the CLASS Act. I wish to read for you something that one of my colleagues on the Democratic side said about the CLASS Act. This was the Senator from North Dakota, chairman of the Budget